



# UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OFFICE OF  
WATER

SUBJECT: My Priorities for FY 2003:  
The Tale of the Fox and the Hedgehog

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TO: Regional Administrators, EPA Regions I - X  
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A Greek poet once said: "The fox knows many things, but the hedgehog knows but one big thing." One common interpretation of these words is that the hedgehog sees everything as a single, central vision, while the fox pursues many unrelated, often unconnected ends. As I thought about this memo, which is intended to convey my thoughts on and priorities for the national water programs in FY 2003, I realized that we – like the fox -- are all struggling with many mandates and issues that often seem unrelated and unconnected. Yes, we all share a common vision: clean and safe water. Yet we also face a daily challenge on how to best organize our work to achieve that vision.

This memo does not cover all the valuable work we do to protect and restore the nation's waters. Rather, it is my attempt to reconcile the fox and the hedgehog, and to offer a handful of organizing principles to integrate into our day-to-day work, where discretionary time, resources, and management attention permit.

▼ **Conserve the Gains of the Last 30 Years** : Much of the dramatic progress in improving the nation's water quality over the past 30 years is directly attributable to our investment in water infrastructure. But the job is far from over. Communities are challenged to find the fiscal resources to replace aging infrastructure, to meet growing infrastructure demands fueled by population growth, and to secure their water and wastewater infrastructure against threats.

Our strategy is to help local governments meet these challenges in fiscally responsible and sustainable ways. We will continue to work with Congress to support workable SRF loan conditions tied to the fiscal sustainability of utilities. In the meantime, we should press forward with administrative actions that we can take *now*, including: promoting asset management and

administrative restructuring, which can reduce capital and O&M costs; rate structures that lead to full cost pricing and encourage conservation; and metering, which also fosters conservation.

▼ **Build Strategic Partnerships with Agriculture:** One reason reducing risk to ecosystems is so daunting is that we – EPA – share much of the responsibility with others. To speed up progress in reducing harmful nutrient runoff from agricultural sources, we need to forge strategic partnerships with a broad range of agricultural interests at all levels. While I strongly advocate the need for a robust range of partnerships, I believe we should focus immediately on working with USDA – here in Washington and in counties across America – to ensure that EPA and USDA target their resources in complementary ways: EPA’s \$319 funds to restore impaired watersheds and Farm Bill dollars to implement practices to protect water quality more broadly.

▼ **Improve and Increase Monitoring to Support Information-based Environmental Protection:** We find ourselves in the Age of Information with a dearth of essential, scientifically defensible data and information to manage our programs. It is imperative that we close these information gaps as quickly as possible: they lead to market and regulatory failures, thwart our ability to document progress, and limit our ability to effectively target our scarce resources.

Monitoring continues to be vastly underfunded. As we work to improve the funding part of the equation, we need to work with our Federal and State partners to: develop methodologies to improve comparability of data gathered at the State/local levels; elevate the visibility of monitoring so that everyone gains a better understanding of the value of investing; work with States to help preserve the integrity of their current programs in the face of significant cutbacks; make better use of statistical modeling techniques to fill the gaps; and do a better job of mining existing data and information.

▼ **Implement TMDLs, Permitting, and Trading on a Watershed Basis:** I view TMDLs as an information-based strategy: they help translate water quality standards into actions to restore water quality. As we strengthen and accelerate our efforts to implement TMDLs on a watershed basis, let’s take full advantage of innovations such as trading and watershed-based permitting. Trading is a valuable tool to more cost-effectively implement TMDLs, and to enable communities to grow and prosper while retaining their commitment to water quality. Trading can also be an appropriate mechanism in the pre-TMDL context, if the right conditions are met. Both trading programs and watershed-based permitting have an additional advantage: they help generate more holistic, integrated data on water quality. We can also use source water assessments to guide investments to protect drinking water.

I know this is not the hedgehog’s one central vision. Neither is it a set of random, unconnected thoughts. Rather, it is a manageable set of tools to focus our work -- leading to greater chance of success in achieving our common goal of clean and safe water. I ask you to join me and to give me specific ideas on how to fully operationalize each of these principles.